

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION  
July 29, 2003**

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**FROM: THOMAS R. LAURIN, DIRECTOR  
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**SUBJECT: SCHEDULE PUBLIC HEARING TO CONSIDER THE FINANCING PLAN AND  
THE PROPOSED ISSUANCE OF HOUSING AUTHORITY OF THE COUNTY  
OF SAN BERNARDINO MULTIFAMILY HOUSING MORTGAGE REVENUE  
BONDS (RAINTREE APARTMENTS PROJECT) IN ONE OR MORE SERIES –  
HIGHLAND**

**RECOMMENDATION:** Schedule Tuesday, August 19, 2003 at 10:00 a.m., to conduct a public hearing on behalf of the Housing Authority of the County of San Bernardino (Housing Authority) to consider the financing plan and the proposed issuance of Housing Authority of the County of San Bernardino Multifamily Housing Mortgage Revenue Bonds, Raintree Apartments (the Bonds) in an amount not to exceed \$14,000,000 with respect to the Raintree Apartments (the Project); and authorize publication of a legal notice of public hearing at least 14 days prior to the hearing.

**BACKGROUND INFORMATION:** In 1992 the Housing Authority issued \$6,000,000 in Variable Rate Demand Multifamily Housing Revenue Refunding Bonds for Raintree Apartment Community, a 152 apartment complex located at 26660 Ninth Street, Highland, CA. In July, 2003 the Housing Authority was contacted by Oracle Communities Corporation (Oracle), a California nonprofit public benefit corporation and a 501(c)(3) corporation for the purposes of federal tax law, who is purchasing the project and is requesting a new bond issuance. The Bond issuance proceeds in an amount not to exceed \$14,000,000, will be loaned by the Housing Authority to Oracle to pay off existing bonds and to provide financing for the acquisition and refurbishing of the Project. The Bond issuance will enhance and increase the supply of affordable housing in the County. With the issuance of tax-exempt bond financing, the Project will be governed by a regulatory agreement requiring the provision of at least 40% of the project's units be set aside for a person or families whose income does not exceed 60% of the median household income for the area.

The County is not issuing these bonds, the Housing Authority is, however federal tax law requires that prior to tax-exempt bonds being issued by non-profit corporations (such as the Housing Authority) the County Board of Supervisors must hold a public hearing following reasonable public notice pursuant to Section 147(f), of the Internal Revenue Code of 1986, as amended. This action schedules a public hearing as required by law and authorizes publication of the legal notice for the hearing in The Sun newspaper.

Record of Action of the Board of Supervisors

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REVIEW BY OTHERS: The date for the public hearing was set in coordination with Housing Authority and their legal representatives on July 15, 2003 and the Clerk of the Board of Supervisors on July 8, 2003. This item was reviewed with Deputy County Counsel Michelle D. Blakemore on July 15, 2003 and the County Administrative Office, Patricia M. Cole, Administrative Analyst III on July 18, 2003.

FINANCIAL IMPACT: This action has no impact on the County General Fund, the Community Development Block Grant Program, or the HOME Program. The County will be reimbursed by the Housing Authority and/or Oracle for advertising and ECD staff costs.

SUPERVISORIAL DISTRICT (S): 3rd.

PRESENTER: Thomas R. Laurin, Director, 388-0808.